

AFFORDABLE HOUSING TASK FORCE

REPORT TO TOWN MEETING

April 2007

The Affordable Housing Task Force (AHTF) was formed by unanimous vote of Town meeting on May 3, 1999. The purpose was to “review the existing supply of affordable housing, techniques to create additional housing and other methods to meet the needs of cost-effective shelter in Town...Said committee shall report back to the next (2000) Annual Town Meeting...” The Task Force convened in the Fall of 1999. Since its inception, a Director of Housing position was created and filled, an Affordable Housing amendment – Section 11.08 enabling Inclusionary Zoning - was added to the Zoning Bylaw, and 39 new units of affordable housing created, without use of municipal dollars. “Inclusionary Zoning” refers to the Section 11.08 provision adopted by Town Meeting in 2001 that requires all developments with 6 or more units to include 15% of the units as affordable to low and moderate income households. It is administered by the Arlington Redevelopment Board (ARB).

What is affordable housing? Affordable housing refers to housing (either rental or homeownership units) intended for occupancy by households earning up to 80% of median income (called low and moderate income households). Affordability is further defined as paying no more than 30% of income for housing costs. Eighty percent (80%) of median income is currently \$66,150 for a family of four. In reality, most of our affordable housing is occupied by families of much lower income. Any affordable housing subsidized by public dollars (CDBG included) limits occupancy to those earning less than 80% of median income.

Need for Affordable Housing. Arlington has 19,411 housing units. Of that total, 7,815 units, or 41%, are rental units. About 52% of renter households are considered low or moderate income, making below 80% of median income (4,044 households). Of those low and moderate income renter households, 2,510 pay more than 30% of their income for rent, and of those, 876 households pay more than half their income for rent. The Federal Department of Housing and Urban Development has set a standard of affordability at paying no more than 30% of family income for housing costs.

While the median income of an Arlington household that owns their own home is \$77,600, the median renter household earns only \$46,000. A family with income at the median for renters can afford to purchase a home that costs \$170,000. By contrast, the median single family house in Arlington sold for \$475,000 in 2006. The median condo price was \$360,000. Looking only at the lowest quartile, the homes most likely to be purchased by first time homebuyers, the median of the lowest quarter of single family homes sold was \$395,000. Income needed to purchase a house in the lowest quartile of prices is \$98,000. In 2006, there were 12 single family houses that sold for under \$350,000. There were only 3 houses that sold for under \$300,000. Purchasing a first home is out of reach for roughly 75% of all renters. The remaining 25%, earning over \$75,000 annual income, have some chance of purchasing a first home in Arlington. Only 12% of renter households have incomes over \$100,000, putting them in a good position to be able to purchase a first home in Arlington. In summary, many of Arlington’s lowest income residents are paying too much for rent, and most renters have no real hope of being able to buy a home here.

On the ownership side, 16% of Arlington's homeowners (1223 households) pay more than 30% of their income for housing. Of those, 706 households (58%) are elderly (65 and over). There are 11,186 owner occupied housing units in Arlington. Six percent (6%) are owned by elderly householders paying more than 30% of their income for housing. These households would be considered the most at risk for becoming homeless.

Existing Supply of Affordable Housing. Arlington currently has approximately 1040 affordable housing units, and 420 Section 8 vouchers for scattered site affordable rental units administered by the Arlington Housing Authority. There are 189 affordable units for people with disabilities, 577 elderly units, 219 affordable for families, and 55 for single person households. The Arlington Housing Authority provides over 900 units, the Housing Corporation of Arlington provides 46 units, and Caritas Communities, Inc. provides affordable housing for 37 eligible individuals. There are a number of subsidized residences for people with special needs that are counted on the Town's Inventory of Affordable Housing. Lastly, there are privately owned affordable condominiums. Attachment B provides a list of Arlington's affordable housing.

Task Force Activities over the past year.

Inclusionary Zoning changes. The Task Force is proposing changes to the "Affordable Housing" section of the Zoning Bylaw that will change the way prices are set for affordable condos, and rents set for affordable rental units, such that the units will be affordable to people with lower incomes. Currently all prices are set to be affordable to households at 80% of median income (\$59,550 for a family of 3). The amendment, if successful, will change the pricing such that condos will be affordable to households at 70% of median income (\$52,106 for a family of 3) and rental units will be affordable to households at 60% of median income (\$44,663 for a family of 3). We believe that these changes will make the affordable housing produced under the Affordable Housing Section of the Zoning bylaw much more responsive to Arlington's housing needs, particularly on the rental side. This amendment appears on the Town Meeting Warrant as Article 9.

Affordable Housing at Symmes. With the redevelopment of the Symmes Hospital site Arlington will get its biggest addition of affordable housing in decades. The anticipated 200 units of new housing will include 30 affordable units (15%), and an additional 10 "Middle Income Affordable" units, affordable to households at 81% to 120% of median income. The Task Force recommended to the Redevelopment Board that 5 affordable units and 5 Middle Income units be reserved for Town employees, to provide an incentive for Town employees to stay in Arlington. Many Town employees, such as teachers, firefighters, police, and librarians, cannot afford the price of housing in Arlington, possibly leading to high employee turnover. Additionally, 16 affordable units and 5 Middle Income units will be reserved for Arlington residents.

New affordable housing. During the past year, the Housing Corporation of Arlington purchased 18 units that were renovated and preserved as affordable rental housing for smaller households at 50% to 80% of median income. Additionally, Arlington granted its first comprehensive permit, which will add four townhouse condominium units for moderate income families at about 70% of median income.

Homelessness Prevention. For the sixth consecutive year, Arlington residents stepped up to the plate to help their neighbors. More than \$40,000 was collected from private donations to help Arlington residents facing eviction and homelessness. The Fund to Prevent Homelessness was created under the direction of the Task Force in 2000 to provide emergency assistance for residents at risk of becoming homeless. In the 7 years since its inception, about 200 Arlington families and individuals have been helped to stay in their homes as a direct result of these donations, which have totaled \$250,000. This Fund is administered and overseen by the Housing Corporation of Arlington, with a three person review committee, made up of Leon Canter, Director of the Arlington Assistance Program, Mary Deyst, and Laura Wiener, Director of Housing for the Town. An independent fund, the Farmer Fund, is available to help elderly Arlington women and couples, including those in danger of homelessness, and is administered by John L. Worden III, Esq.

Other housing issues on the table. The Task Force began discussions on a number of other housing issues which we expect to continue into the coming year.

1. Accessory Apartments. The Affordable Housing Task Force intends to examine the regulation of accessory apartments in Arlington. An accessory apartment is a second unit in a single family home, or a third unit in a two-family home, that is smaller in size than the primary unit. The AHTF will work with the Redevelopment Board on this study.
2. Town owned land or buildings. The Task Force is conducting a survey of Town owned property for affordable housing.
3. Chestnut Manor redevelopment. The Task Force will continue to support the Housing Authority in its effort to add affordable special needs housing to its Chestnut Manor property.
4. Menotomy Manor. The Housing Authority is about to embark on an expansion of its family housing stock at the Menotomy Manor development, by adding six (6) accessible and affordable units for families.

Respectfully Submitted,

The Affordable Housing Task Force,
John Griffin, Chair, representing the Arlington Housing Authority
Jack Hurd, Vice-Chair, representing the Board of Selectmen
Patricia Worden, Secretary
William Burke
Anne DiNoto
James Doherty, representing the Board of Assessors
Diane Harrington
David Levy, representing the Housing Corporation of Arlington
Christopher Loreti, representing the Redevelopment Board
Judith McConnell
Nick Minton, representing the Fair Housing Advisory Committee

ATTACHMENTS

ATTACHMENT A.	Housing Statistics
ATTACHMENT B.	Inventory of Affordable Housing in Arlington

ATTACHMENT A.

CURRENT HOUSING STATISTICS FOR ARLINGTON

As of January, 2007

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Median purchase price for single family home	\$475,000	\$493,000	\$469,000
Income needed to purchase (10% downpymt):	\$120,000	\$125,000	\$116,000
Median condo price:	\$356,000	\$364,000	\$306,250
Income needed to purchase (10% downpymt):	\$ 95,000	\$ 96,500	\$ 77,000
Median family income in Arlington :	\$ 78,741	no new data	
Median renter income:	\$ 46,000	no new data	
Market rent for 2 bedroom apartment:	\$1400	\$1250	
Income needed, using HUD's 30% of income for housing:	\$60,000	\$50,000	
Number of low and moderate income households (below 80% of median income):		5,543	
Number paying more than 30% of income for housing:		2,678	
Number paying more than 50% of income for housing:		1,200	

	<u>Annual Salary</u>	<u>Affordable Rent</u>	<u>Affordable Purchase</u>
Minimum wage worker	\$15,600	\$390	
Starting teacher	\$33,000	\$825	\$120,000
Median teacher salary	\$50,000	\$1250	\$190,000
Starting police or firefighter	\$40,000	\$1000	\$140,000
Median income family	\$78,741	\$1968	\$255,000